

Executive Summary Report

Appraisal Date 1/1/03 - 2003 Assessment Roll

Specialty Name: Major Office Buildings

Previous Physical Inspection: June/July 2002

Sales - Improved Summary:

Number of Sales: 17

Range of Sale Dates: 2/1/00-1/4/02

Sales – Ratio Study Summary:

	Average AV	Average Sale Price	Ratio	COV
2002 Value	\$26,041,200	\$31,882,300	81.7 %	10.94%
2003 Value	\$26,645,800	\$31,882,300	83.6%	11.00%
Change	+\$604,600		+1.9 %	+.006%
%Change	+2.3 %		+2.3 %	+.055%

*COV is a measure of uniformity, the lower the number the better the uniformity.

Sales used in Analysis: All improved sales, which were verified as good, and have not been remodeled since purchased were included in the analysis.

Population -Average Improved Parcel Summary Data:

	<u>Land</u>	<u>Imps</u>	<u>Total</u>
2002 Value:	\$4,597,617	\$23,446,238	\$28,043,856
2003 Value:	\$4,609,337	\$24,184,375	\$28,793,712
Percent Change:	.25 %	3.15%	2.67 %

2002 Total Assessed Value: \$7,459,665,600

2003 Total Assessed Value: \$7,659,127,400

Number of Improved Parcels in the Population: 248

Conclusion and Recommendation:

Since the values recommended in this report improve values in comparison with the office market as of 1-1-03, I recommend posting them for the 2003 Assessment Roll.

Analysis Process

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. I find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000 is assigned to the improvements.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions, Departures and Limiting Conditions

All three approaches to value were considered in this analysis.

The following Departmental guidelines were considered and adhered to:

- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of two years of market information without adjustment for time averaged any net changes over the two-year period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 280: Major Office Buildings

This report contains data pertinent to the revalue of major office buildings (100,000 square feet of net rentable area and above). Net rentable area as utilized here is typically described as gross building area less vertical penetrations. The office specialty properties are found throughout the County, with significant concentrations located in Downtown Seattle and Downtown Bellevue. Additionally, larger suburban office buildings are found in many jurisdictions of the County. All major office specialty properties were revalued this year. Included in the addendum of this report is a list of the parcels physically inspected for the 2003 assessment year.

Boundaries:

All of King County

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

For purposes of the 2003 revaluation of the office-building specialty, the population has been segmented into six regions. These regions are generally described by their geographic location with the exception of one, which is described by its primary use. The following is a brief description of each of these market segments.

North

This region represents a small portion of the total specialty population and includes buildings located as far north as the City of Bothell and as far south as the University District. The largest concentrations of buildings in this segment are located in the Northgate and University Districts.

Seattle Central Business District (Seattle CBD)

The office specialty is predominately comprised of properties located in this region. Approximately 45% of the office specialty population is located here. The Seattle CBD's geographic boundaries are loosely described for purposes of this analysis as extending from Lower Queen Anne on the north to the Safeco Field on the south, from Puget Sound on the west to Interstate 5 on the east.

Bellevue Central Business District (Bellevue CBD)

This region, while comprised of only a small number of properties, is considered to be the second most significant of the office specialty regions. It is comprised of the mid and high-rise office buildings in the Bellevue CBD as well as two larger Mercer Island buildings. The Summit/PSE two building project was completed this year.

Suburban Eastside

This region includes properties outside of the Bellevue CBD, on the East Side of Lake Washington. This analysis considers properties from Kirkland, Redmond, Issaquah and Suburban Bellevue to comprise the Suburban Eastside. At present, while this region has a large geographic expanse, it is somewhat small in number however continued growth patterns indicate the potential for an increase in the future.

Southend

Properties located within the Renton, Tukwila, Southcenter, Kent, SeaTac, Auburn and Federal Way areas generally describe this region. Weyerhaeuser is the predominant property owner in the Federal Way area.

Medical Office Buildings

These are analyzed independent of the remainder of the specialty as medical/dental office buildings typically have a significantly different construction cost and income and expense profile. The properties in this category are generally located on First Hill, the University District, Northgate and Downtown Seattle. Four medical office properties were added to this specialty this year. These are existing medical office buildings located in the First Hill area.

Puget Sound Economic Conditions

“Seattle’s office market has shown clear signs of stability, as tenants have reduced their give-back of space and the pipeline of new office building construction has emptied out. After a shaky first quarter, in which some significant additional vacancy occurred, the past three quarters have resulted in positive net absorption in nearly all sub-markets”.¹

Where is our economy now? Stephen Dunphy, columnist with the Seattle Times suggests calling our current economy the “if” economy. That’s because any outlook now has so many “ifs” attached to it. For example, the economy is being held back to a certain extent by uncertainty about possible war with Iraq. The “ifs” also extend closer to home. There are perhaps more crosscurrents affecting the Northwest in 2003 than any time in the recent past. Put simply, the “ifs” add up to another tough year in 2003.

The area most troubling to economists and to the public is jobs. Between the fourth quarter 2000 and fourth quarter 2002 employment in telecommunications, computer systems design and related services in King and Snohomish counties declined by more than 11,000 jobs about 15% of the total regional job loss.² There is

¹ I On The Market, Seattle, Year-end 2002, Insignia Kidder Mathews Research Services Group

² Puget Sound Real Estate Research Report, Vol. 54 No.1 Spring 2003

no doubt; however, that the main cause of the Puget Sound's economy's recent under-performance is the dramatic decline in aerospace payrolls. Aerospace employment and total regional employment rarely move in opposite directions.³ It remains a jobless recovery with very few new jobs created over the past year. The consensus of economists is for no growth in the greater Seattle-Bellevue-area job market in 2003. (Seattle Times, 1-19-03). The latest state forecast calls for job growth in 2003 of a measly .7 percent, followed by 2.4 percent growth in 2004 and 2.1 percent in 2005. Puget Sound's prospects for any solid job growth this year are poor at best.

Consumers, mortgage lenders, the faltering economy and the stock market have combined to create a powerful virtuous circle that has taken interest rates to forty year lows. The weak economy has pressured stock prices and stymied job growth, prompting the Fed to make 11 interest rate cuts during 2001. The poor performance in the equity market coupled with low mortgage rates encouraged consumers to buy more houses and/or refinance. Buyers of these mortgages hedge their interest rate exposure by purchasing Treasury bonds. This drives down longer-term yields further, which creates even more demand from borrowers. Interest rates are not likely to jump, however, even if mortgage activity subsides. Institutions and private investors alike continue to increase their exposure to commercial real estate.⁴

Preliminary Ratio Analysis

The inclusion of the Ratio Study Analysis is done for administrative consistency only. Due to national, regional and local economic downturns which have ultimately affected the current strength of the Seattle commercial real estate market, the lack of sales occurring in late 2001, 2002 and early 2003 creates an uncertainty in the comparison of market sales prior to the chain of events with current market value estimates. Therefore, the results presented in the final ratio study are not considered to be a reliable analysis of recommended assessed values as compared with market sales. Recommended assessed values are based on market conditions as of January 1, 2003.

A Preliminary Ratio Study was completed just prior to the application of the 2003 recommended values. This study benchmarks the current assessment level using 2002 posted values. The study was also repeated after application of the 2003 recommended values. The results are included in the validation section of this report, showing a change in the level of assessment from 81.7 % to 83.6 %, the Coefficient of Dispersion (C.O.D.) from 8.27% to 8.50%, the Coefficient of Variation (C.O.V.) from 10.94% to 11 % and the Price-related Differential from 1.03 to 1.02.

³ Puget Sound Real Estate Research Report, Vol. 54 No.1 Spring 2003

⁴ Marcus & Millichap Retail Research Report, November 2002

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty office property is located is responsible for the land value used by the office specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by calling either the purchaser or seller, inquiring in the field, or calling the real estate agent. Characteristic data is verified for all sales, if possible. Due to time constraints, interior inspections were limited. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report.

Improved Parcel Total Values:

Sales comparison approach model description

The population of office building sales in King County utilized in the analysis for the current revalue was segmented into six market segments. The segmentation was based primarily on the geographic boundaries previously described. In the event a segment lacked adequate sales representation, similarities in other segments were considered and judgment applied in determining market comparability.

The Sales Comparison Approach was not considered to be as reliable an approach to valuation for the current revalue analysis due to the lack of sales available. Economic conditions continue to affect the local office market. The sales that have occurred are either pre economic downturn or too far past the lien date to use in this analysis. Additionally, these later sales are of properties that are in a “better than typical” financial state. These buildings have leases in place at above current market rates and terms typically extended beyond what most consider the “recovery years”. At this point in time these properties are considered to be the exception and are not considered to be reflective of the typical market.

Sales comparison calibration

All six market segments were represented by market activity in the three-year period examined. No sale calibration was done due to the reasons stated above.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. This approach was not relied upon in the final reconciliation of values, however the ratio of sale price to replacement cost new was considered in comparison to the ratio range reported in Korpacz Real Estate Investor Survey, 4th quarter, 2002 where participants reported a price range of between 80% and 110% of replacement cost new, with the average being 97%.

Cost calibration

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

Income capitalization approach model description

The income approach to value was considered for all office specialty properties this revalue. A direct capitalization income approach estimate was calculated for all properties within the specialty. Due to the significance of the parking income contribution in the Seattle and Bellevue CBD's, and the fact that these parcels comprise the majority of the properties within the specialty, parking income was a necessary component of the direct capitalization process. The inability of the income table program to recognize parking stalls as an income generator prohibited the use of income tables in this year's revaluation of the office specialty. Therefore, no tables were created. Instead three direct capitalization workbooks were created showing each property's income value estimate. A discounted cash flow analysis was completed on five properties. This approach to valuation was considered to be the most appropriate for these five properties as each is experiencing vacancy rates far in excess of the market norm. In fact two of the projects (three buildings) are 100% vacant.

Income approach calibration

The models were calibrated after setting base rents by considering adjustments based on location, size, effective age, construction class and quality. Appraisal judgment was employed in adjusting for differences between individual buildings based on their perceived investment competitiveness in their respective markets. Location, effective age, construction class, quality and size as recorded in the Assessor's records were items considered to be of primary importance in determining a property's investment competitiveness and therefore, placement in the appropriate base rent category.

Within each of the six market segments, income parameters were established for economic rent, vacancy and credit loss, expenses and capitalization rates for various grouping of properties based on their investment competitiveness. Rent, expense and overall capitalization rate data was collected on sold properties when available. This data was then considered along with surveys conducted by outside resources along with information gathered from properties available for lease and sale and utilized to establish general guidelines for neighborhood groupings. A rent survey was conducted to ascertain the income parameters typically reflective in the current office lease market. The information gathered is considered to be the most indicative of the current office-leasing environment. The result of this survey follows. In most instances, the data reported is based on deals that have been made and are in place or will be in the near future.

RENT SURVEY

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft)or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildin g
Bellevue CBD	A	office	Controller	to start 9/02	\$16.00			\$9.35	3,725		to start 9/02		76 month term, new deal			
Bellevue CBD	A	office	Controller	9/1/20001	\$34.00			\$9.35	17,641		yes		36 month term, renewal			
Bellevue CBD	A	office	leasing agent	2nd qtr 2002		\$19.40			1,600				turn-key; 4yr term			
Bellevue CBD	A	office	Controller	12/1002	\$11.34			\$9.50	23,161		yes	6/10/03	84 month new direct lease signed 9/20/02, 10th floor, \$35.95 in TI's; allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Mar-03	\$14.50			\$9.50	4,079		yes	6/10/03	60 month renewal lease signed 11/6/02, 9th floor,\$7.17 TI allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Mar-03	\$14.24			\$9.50	4,297		yes	6/10/03	60 month new direct lease signed 12/19/02, 9th floor,\$9.14 TI allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Feb-03	\$27.99			\$9.50	670		yes	6/10/03	45 month renewal lease signed 1/18/03, 2nd floor, allowance for replacement reserves NOT included in op exp figure			

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft)or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildi ng
Bellevue CBD	A	office	Controller	Feb-03	\$15.00			\$9.50	1,534		yes	6/10/03	60 month new direct lease signed 11/07/02, 9th floor, \$13.24 in TI's; allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	B	office	lease agent	Jan-03	\$10.50			\$9.00	1,333		yes	3/25/03	signed 1/03renewal 3 yr deal, LL voided remaining 6 months on prior lease which was at \$27/sq ft FS;			
Bellevue CBD	A	office	leasing agent	Jan-03	\$12.50			\$10.00	1,600		yes	1/27/03	deal signed 7/02, 1st floor, rate flat in years 1-4, increase to \$13 in year 5, 5 stalls of free parking, space "as-is"			
Bellevue CBD	A	office	leasing agent	Nov-02			24.19	\$13.75	4,872		yes	1/27/03	10th floor; negotiated 10/02;tenant moved in in April 2002 wanted to expand so renogtiated deal;signed as NNN deal, 3 yr term; \$10 in TI's by LL			
Bellevue CBD	A	office	lease agent	Nov-02			26.00		7,462		yes	10/7/02	14th floor;.50/yr rent increase each year for 5 yrs;19 pkg stalls included, \$30 TI's by LL			
Bellevue CBD	A	office	Controller	Nov-02	\$20.50			\$9.50	1,660		yes	6/10/03	60 month new direct lease signed 7/25/02, 20th floor, \$3.11 in TI's; allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Oct-02	\$15.00			\$9.50	3,114		yes	6/10/03	24.5 month new direct lease , 16th floor, \$1.42 in TI's; allowance for replacement reserves NOT included in op exp figure			

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft) or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildi ng
Bellevue CBD	A	office	Controller	Oct-02	27			\$9.50	8,880		yes	6/10/03	new 31 month sublease, 11th floor, allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Oct-02	\$12.00			\$9.50	8,810		yes	6/10/03	new direct 36 month lease, 6th floor, \$2.72 in TI's; allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	Controller	Oct-02	\$19.50			\$9.50	3,643		yes	6/10/03	82 month renewal, 7th floor, \$34.09 in TI's; allowance for replacement reserves NOT included in op exp figure			
Bellevue CBD	A	office	listing	Jun-02			20.00		6,000-10,940	yes			7th floor			
Bellevue CBD	A	office	listing	Jun-02			28.50		6,856	yes						
Bellevue CBD	A	office	listing	Jun-02			32.00		2,377-2,831 sq ft	yes			sublease available now for a 1-3 yr term			
Bellevue CBD	A	office	listing	Jun-02			20.00		4,516	yes			12th floor; sublet available through December 2003			
Bellevue CBD	A	office	leasing agent			\$22.00		\$8.75-\$8.90	2,500		yes		2 mo free rent; free pkg for 7 stalls			
Bellevue CBD	A	office	asset mgr			\$25.00	23.50	\$9.50	12,000		yes	3/24/03	Renewal/expansion, 14th flr, 7yr term, rate increase .50/yr; \$10 in TI's		90-92%	90-92%
Bellevue CBD	A	retail	Controller	Feb-02	37			\$9.50	563		yes	6/10/03	renewal, allowance for replacement reserves NOT included in op exp figure			

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft)or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildin g
Bellevue CBD fringe	B	office	leasing agent	Dec-02	\$10.25			\$8.89	10,725		yes		tenant shares building name, 10yr renewal (LL tore up deal with 1 yr remaining (worth \$6,000): yr 1 at \$10.25 NNN, yrs 2-3 \$10.50, yrs 4-6 \$11.50, yrs 7-9 \$12.50, yr 10 \$13.50. No TI's, ave rent rate over term = \$11.68			
Bellevue CBD fringe	A	office	prop mgr	Jun-02	\$16.13			\$6.72	473,862		yes		general picture of property 2001 end			
Bellevue CBD fringe	A	office	listing	Jun-02	\$18-\$20				10,000-26,138 sq. ft.	yes			sublease;1st floor			
Bellevue CBD fringe	A	office	listing	Jun-02	\$18-\$20				10,000-30,865 sq ft	yes			sublease;2nd floor			
Bellevue CBD fringe	A	office	listing	Jun-02	\$18-\$20				10,000 sq	yes			sublease;3rd floor floor			
Bellevue CBD/fringe	B	office	lease agent	1st qtr 2003		\$19.58		\$7.00	13,091	yes		3/25/03	ave/gd quality 1979 yr blt 2 story bldg; renewal 5 yr \$10 TI's, rate starts at \$16.50 and ends in yr 5 at \$21.65, 2nd flr		90%	
Bellevue:I-90	A	office	leasing agent	2nd qtr 2002			low		2,369	yes			sublease			
Bellevue:I-90	A	office	leasing agent	Dec-01			21.00	\$8.50-\$8.90	2,276		yes		sublease;lease rate includes some office furniture (amortized in rate);short term:13 months			
Bellevue-520 corridor	B	office	leasing agent	Feb-02			\$22-\$23	\$7.00	14,000		yes					
Bellvue CBD	A	office	prop mgr	Mar-03	\$11.00			\$8.53	963		yes	5/22/03	3rd flr, 16 month New Direct deal; \$0 TI allowance, op exp does NOT include allowance for replacement reserves; 3 pkg stalls at \$100/stall;	100	88%	87%

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft) or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildi ng
Bellvue CBD	A	office	prop mgr	Jan-03	\$7.50	11.76		\$8.53	7,038		yes	5/22/03	7th flr, 49 month New Direct deal;lease rate increases to \$12.50 in month 14, \$13.50 in month 26 and \$14.50 in month 38 \$0 TI allowance, op exp does NOT include allowance for replacement reserves; 22 pkg stalls at \$75/stall;	100	88%	87%
Bellvue CBD	A	office	prop mgr	Dec-02	\$13.00			\$8.53	2,041		yes	5/22/03	2nd flr, 65 month deal; rate increases to \$14 in yr 3,\$15 in yr 5; \$4 TI allowance, op exp does NOT include allowance for replacement reserves; 6 pkg stalls at \$100/stall; Direct Renewal	100	88%	87%
Bellvue CBD	A	office	prop mgr	Dec-02	\$15			\$8.53	3,198		yes	5/22/03	1st flr, 2 yr deal; rate increases to \$15.50 in yr 2, \$3.75 TI allowance, op exp does NOT include allowance for replacement reserves; 5 pkg stalls at \$100/stall; Direct Renewal	100	88%	87%
Bellvue CBD	A	office	prop mgr	Aug-02	\$13.00			\$8.53	1,965		yes	5/22/03	2nd flr, 36 month deal; rate increases to \$13.25 in yr 2,\$13.50 in yr 3; \$0 TI allowance, op exp does NOT include allowance for replacement reserves; 5 pkg stalls at \$75/stall; Direct Renewal;free rent for months 1-3	100	88%	87%

Bellevue/Eastside																
neighborhood	Bldg Class	type	source	commence date	NNN	Effective Rent	gross	expense s (\$/sq. ft) or (%)	size	asking	in-place	confirmed date	Notes	Monthl y parking	%buildin g leased	% buildin g
Bellvue CBD	A	office	prop mgr	May-02	\$12.00			\$8.53	3,385		yes	5/22/03	6th flr, 36 month Direct Renewal deal; \$6.50 TI allowance, op exp does NOT include allowance for replacement reserves; 10 pkg stalls at \$75/stall;	100	88%	87%
Bellvue CBD/fringe E of	A	office	lease agent	1st qtr 2003		\$22.50		\$7.50	3,643		yes	3/25/2003	new 5 yr deal, \$8 in TI's			
Factoria/I-90 corridor	A	office	leasing agent		\$11.75	\$11.87		\$8.00	75,000		yes	3/10/03	sublease; 31/2 years remaining; \$5/sq ft TI's			
I-90/Lake Samammish	A	office	asset mgr	Mar-02	\$22.50			\$4 w/o elec and re taxes	157,546		yes		absolute net lease;tenant (Boeing) takes care of it all,5 yr term expires 6/30/06;staggered occupancy 5/01 2nd flr (3 mo free rent), 7/01 3,4,5 flrs (1 mo free rent),9/01 1st flr (1 mo free rent);rent steps as follows: 7/02 \$23.29, 7/03 \$24.10, 7/04 \$24.95, 7/05 \$25.82. TI allowance given			
Kirkland	A	office	lease agent	1st qtr 2003			25.00	\$7.50	8,000		yes	3/25/03	new 7yr lease \$25 FS for 5yrs, then rate at market remaining 2 yrs, \$15 in TI's			
Kirkland	A	office	leasing agent	Nov-02	\$17.00	\$17.50		\$7.50	22,000		yes	2/3/03	new lease;deal signed 4/02 , \$5 in TI's,3 yr term,rate at \$18 in year 3			
Kirkland wft	A	office	listing	Jul-02			25.00		2,169-3,079 sq ft	yes			sublease space available through 6/03			

		SOUTHEND														
neighborhood	bldg class	type	source	commence date	NNN	Effective Rent	gross	expenses (\$/sq. ft) or (%)	size	asking	in-place	confirmed date	Notes	Monthly parking available	%building leased	% building occupied
Kent	A	office	property mgr	Mar-03	\$11-\$12			7.5-7.85	12,500		yes	4/2/2003	new 5 yr deal, "turn key", 7th flr; generally deals done mid \$11-12 NNN w/.50/yr bumps		60%	
Kent Valley	A	office	Dir. Mgmt Services	Mar-02	\$14.50			\$6.37	20,000		yes		6 months free rent; \$.50/rsf rent increase, 5 yr out, option to renew at \$17.50 flat for 5 yrs at end of first term; TI's \$32 paid (100%) by LL, commissions at 10%		75%	
Kent Valley	A	office	listing	Jun-02			18.00		5,212-7,354	yes						
Renton	A	office	leasing agent	Apr-03			15.50	\$6.50	19,594		yes	3/24/2003	whole bldg lease, rate jumps to \$18 in yr 2, then + .50/yr thru yr 10; signed 4th qtr 2002			
Renton	A	office	asset mgr				19.00	\$8.00			yes	3/24/2003	renewal, 5 yr,			95%

SEATTLE																
neighborhood	bldg class	type	source	commence date	NNN	Effective Rent	gross	expenses (\$/sq. ft) or (%)	size	asking	in-place	confirmed date	Notes	Monthly parking available	%building leased	% building occupied
Belldtown	A	office	leasing agent	Jan-03			low \$20's		4,183		yes	1/13/2003	negotiated in 11/02, parking available on site for fee, \$15+/- in TI's			60-70%
Belldtown/just N. of Pike Place		retail	listing		\$19-\$27				7,300	yes			corner retail location/1st flr of a new residential building			
Capital Hill	B	office (medic)	leasing agent	Jun-02			\$22.00	nnn exp = \$5	1,464		yes	8/6/2002	nice build out; 3 yr deal			
Capital Hill		retail	leasing agent	March, 2002	\$22.00			\$4.12	1,270		yes	8/6/2002	finished (flrs, walls, ceiling lighting, heat) 10 yr w/1 5 yr option			
Capital Hill		retail	leasing agent's asst.	summer 2002	\$21.00			\$4.12	3050+/-		yes	8/15/2002	LL readied bldg for tenant...drywall, bumped up the power, installed sprinklers and contributed \$19/sq yd in floor allowances.			
Fremont	A	office	leasing agent	Jan-03			\$22.00	\$8.00	16,750		yes	1/27/2003	renewal/expansion with 1 yr left on old, 5yr deal increased space by 7,000 sq ft, \$22 in TI's			
N. Pioneer Square/Financial District on Western	B	office	listing				\$23.00		21,158	yes		Oct-02	loft character building, waterfront location, built in 1910, renov in 1999			
N. Pioneer Square/Financial District on Western	B	office	listing				\$17.50-\$23.50		43,943	yes		Oct-02				
North Seattle	A	office	prop mgr (PM)	4Q01			\$25.50		2,233		yes		Bldg II, Suite 603.			
North Seattle	A	office	publication (P)	4Q01			\$25.50		2,233		yes		Bldg. C of NGEC II			
North Seattle	A	office	property mgr				\$21.00	\$9.08	11,000		yes	3/25/2003	new lease, 6 yr term; \$25 in TI's		100%	98%
North Seattle	A	office	property mgr				\$21.50	\$9.08	6,500		yes	3/25/2003	new lease, 5 yr term; \$15 in TI's		100%	98%
North Seattle	A	office	property mgr				22-25	\$9.08			yes	3/25/2003	renewals negotiated in 1st qtr 2003, typically TI's of \$15-\$25		100%	98%
North Seattle/Univ Dist	B	office	publication (P)	4Q01			\$24.50		2,558		yes		Lease Amend. 2 extending term, adjusting rent and other provisions			
North Seattle/Univ Dist	B		publication (P)	4Q01			\$26.00		888		yes		Amend. 3 extending term and adjusting rent			
Pike Place Market	C	office	owner		\$16.00			\$5.00	6,000	yes		9/25/2002	available for about 1 yr now; water view, across from Market			

Pike Place Market	B	retail	leasing agent		\$25.00		\$9.00	480	yes		10/14/2002	space in market so use is very restrictive; on market for 1 month or so			
Pioneer Square	C	office	ad				\$15.00	2,700	yes		3/19/2003				
Pioneer Square		retail	leasing agent's asst.	summer 2002	\$20.00		\$2.93	1,950	yes		8/15/2002	3 mo free rent, \$1 bump per year til yr 4, stays at \$23 in yr 4 & 5; approx \$15,000 (amortized over term of lease) spent by LL to ready property for leasee			
Pioneer Square	C	retail	tenant	summer 2002	\$13-\$14			2,600	yes		8/21/2002	renewal, flat over 5 yr term;tenant allowed use of small bsmt area for storage (not charged)			
Pioneer Square/Financial District		pkg					\$130/ST ALL					To start 10/02;minimum 30 stalls' avail 24hrs/7days/wk for 1 yr.			
Seattle CBD	A	office	asset mgr	Jul-01			\$36.00	\$10.00				floors 5&6; shell space with a \$30 TI contribution from LL; 5yr term;tenant is govt entity and can not pay op exp above a base amount;mostly 5-10yr deals in place in bldg		97%	
Seattle CBD	B	office	leasing agent	Oct-01			close to \$28	\$7.00				10 yr term;\$15 TI contribution from LL			
Seattle CBD	A	office	leasing agent/pr operty manager	Jan-02			\$30.00	\$9.80	14,603			11th flr,flat rate,\$20 TI \$6 commission;LL spent \$60,000 to accommodate multi-tenanting			
Seattle CBD	B	office	property manager	Jan-02	mid teens/low \$20's			\$9-\$10	10,000+/-	yes	yes				
Seattle CBD	A	office	property manager	Jan-02	\$25-\$27			10% +/-	4100+/-		yes				
Seattle CBD	A	office	LL	Mar-02			\$25.30		4,925	yes	4/30/2003	Direct, new deal 5yr term,no concessions, turn key TI's, coomission \$4/sq ft, parking available at market rates;signed 1/02; 16th flr			
Seattle CBD	A	office	leasing agent	Jun-02			\$22-\$23			proposals		sublease or direct;offered w/8-10 months of free rent;present tenant, IDX would continue paying rent in those 8-10 months...free to new tenant and LL does not lose			
Seattle CBD	B	office	tenant	Oct-02			\$17.00	228		yes	9/18/020	13th floor			

Seattle CBD	A	office	leasing agent	Dec-02		\$22.63	\$23.00		15,136	yes	10/16/2002	7th floor;negotiated in 9/02,4 months free rent, \$20/sq ft in TI's;new direct deal, 5 yr term, rate at \$26.56 in year 5			
Seattle CBD	A	office	leasing agent	Jan-03			25.25 ave over term		15,957	yes	1/27/2003	new tenant;5 yr term 6th & 7th floors, 3 months free rent factored in deal, \$10 in TI's, 6 parking stalls available aat \$220/mo			
Seattle CBD	A	office	leasing agent	Jan-03			\$17.00		54,834	yes	2/13/2003	renewal of "named" tenant; prior deal at \$12. 7 yr deal at \$17, \$33/sq ft in TI's;4 1/2 flrs mid level in structure; other deals would probably have been done at \$20			
Seattle CBD	A	office	tenant	Jan-03			\$27.00		26,366	yes	3/4/2003	negotiation began March/April 2002, completed Oct; 12th & 13th floors; 10 yr 3 tier rate deal beginning at \$27 and ending at \$31,"turn-key" finish in TI's,monthly parking available at \$245/stall	\$245		
Seattle CBD	A	office	leasing agent	Jan-03			\$27.00	\$9.20	1,800	yes	3/7/03	2 phases, signed 11/02;23rd flr;phase 2 below:move into 30th flr @ \$32 w/\$25 in TI's	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Jan-03			\$22.46	\$9.20	106,014	yes	3/7/03	Renewal, 5 yr term, \$0 TI's, flrs 18-21; 10 yr tenant took renewal option of lesser of lease rate at \$22.46 or 95% of market	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Jan-03			\$27.00	\$8.12	6,027	yes	3/7/03	5 yr deal signed 11/02;18th flr, \$18 in TI's;lease rate at \$28 in yrs 4-5	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	Jan-03			\$24.00	\$8.12	1,846	yes	3/7/03	23rd flr,5 yr deal signed 11/02,yr 1 at \$24, yrs 2-3 at \$25, yrs 4-5 at \$27, \$10 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	Jan-03			\$24.00	\$8.12	6,747	yes	3/7/03	7yr deal signed 11/02, 25th flr,\$0 in TI's,yrs 1-2 at \$24, yrs3 5 at \$25, yrs 6-7 at \$27	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	Feb-03		\$29.50	\$29.00	\$9.20	20,543	yes	3/7/03	22nd flr, 5yr term,signed 1/03, \$0 in TI's	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Feb-03		\$36.50	\$35.00	\$9.20	9,443	yes	3/7/03	5 yr term, signed 12/02;\$35 yrs 1-3, \$38 yrs 4-5, \$36 in TI's; 32nd flr	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Feb-03		\$26.80		\$8.12	6,432	yes	3/7/03	6 yr deal signed flat rate,10/02;16th flr, \$11 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	Feb-03			\$23.00	\$8.12	4,031	yes	3/7/03	Renewal, 18th flr, 3 yr term signed 9/02, flat rate \$4 in TI's	\$260/mont h	84%	84%

Seattle CBD	A	office	leasing agent	Mar-03			\$25.89	\$8.12	1,550		yes	3/7/03	Renewal, 20th flr, 5 yr term, signed 10/02, \$5 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	Apr-03		\$31.00	\$29.00	\$9.20	7,681		yes	3/7/03	Renewal; 10 yr term, \$30 in yr 6, \$31 in yrs 7-9, \$32 in yr 10; \$8 in TI's, 16th flr	\$260/mont h	97%	88%
Seattle CBD		office	leasing agent	Apr-03			\$23.00		1,559		yes	3/24/2003	signed 12/02, 1st flr, retail exposure/office use, new 3 yr deal flat rate			
Seattle CBD	A	office	leasing agent	May-03		\$29.00	\$25.00	\$9.20	28,482		yes	3/7/03	10 yr term; \$30 TI contribution from LL; signed 1/03; 31st & part of 32nd flr; \$27 yrs 1-5, \$31 yrs 6-10	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	May-03		\$23.25	\$21.00	\$8.12	2,373		yes	3/7/03	5 yr deal signed 1/03; 3rd flr, \$30 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	May-03			\$24.00	\$8.12	1,368		yes	3/7/03	19th flr, 5 yr deal signed 2/03; \$17 in TI's; yrs 1-3 at \$24, yrs 4-5 at \$27	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	May-03		\$25.00	\$24.00	\$8.12	7,214		yes	3/7/03	Renewal, 10 yr deal signed 10/02, \$33 in TI's; 3rd flr, yrs 1-5 at \$24, yrs 6-10 at \$26	\$260/mont h	84%	84%
Seattle CBD	A	office	leasing agent	May-03			\$25.66	\$8.12	9,030		yes	3/7/03	Renewal, 16th flr, 2yr deal signed 1/03, \$3 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	property mgr	May-03			\$25.25	\$10.10	5,500		yes	3/25/2003	relo/expansion/renewal 5 yr deal, 17th flr, view, signed, 3/03, \$1/yr increase to rate @ \$29.25 in yr 5, 4 months free rent, \$25 in TI's; 5 stalls available at \$195 \$ 260/mo	\$260 in Tower, \$195 at 2nd & Pike garage	95-96%	95-96%
Seattle CBD	A	office	leasing agent	Jun-03		\$24.80	\$24.00	\$9.20	33,121		yes	3/7/03	9th-10th flrs, 6yr term, rates increase to \$25 and ends at \$26; \$29 in TI's	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Jun-03		\$24.50	\$24.00	\$9.20	8,967		yes	3/7/03	Renewal signed 12/02; 5 yr term, \$25 in yrs 4-5; \$15 in TI's, 8th flr	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Jun-03			\$24.75	\$8.12	27,337		yes	3/7/03	5yr deal flat rate, signed 10/02, part of 13th flr all of 14th; \$15 in TI's	\$260/mont h	84%	84%
Seattle CBD	A	office	property mgr	Jun-03			\$29.00	\$10.10	5,000		yes	3/25/2003	new lease negotiated 10/02, signed 1/03, 5 yr flat rate, 16th flr, view; \$27 in TI's, 5 stalls available at \$195 \$ 260/mo	\$260 in Tower, \$195 at 2nd & Pike garage	95-96%	95-96%
Seattle CBD	A	office	leasing agent	Oct-03			\$32.00	\$9.20	2,412		yes	3/7/03	32nd flr, 5 yr term, signed 2/03, \$30 in TI's	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Oct-03			\$31.00	\$9.20	8,308		yes	3/7/03	5 yr term, flat rate, 17th flr, \$7 in TI's, signed 1/03	\$260/mont h	97%	88%
Seattle CBD	A	office	leasing agent	Oct-03			\$25.00	\$9.20	20,490		yes	3/7/03	Renewal, 5 yr term, signed 1/03; 36th flr; tenant took renewal option of lesser of lease rate at \$25 or 95% of market	\$260/mont h	97%	88%

Seattle CBD	A	office	leasing agent	Feb-04			\$32.00	\$9.20	2,419		yes	3/7/03	phase 2, 5yr term \$25 in TI's, signed 11/02	\$260/month	97%	88%
Seattle CBD	A	office	LL	10/02+/-			18.17*		20,981		yes	10/14/2002	33rd flr, 5yr term, initial rate \$18.17, ave rate *\$23.90; \$24 TI's, \$4.90/sq ft commission			
Seattle CBD	A	office	leasing agent	1st qtr 2002			mid to high \$30's		9,700		yes		agent unable to share specifics			
Seattle CBD	B	office	leasing agent	2nd qtr 2002			mid \$20's	project \$8.80		yes						
Seattle CBD	A	office	Colliers	4Q01			\$25.00		40,000		yes		Floors 32 and 33.			
Seattle CBD	A	office	Colliers	4Q01			\$25.00		3,500		yes		Floor 46.			
Seattle CBD	B	office	prop mgr (PM)	4Q01	\$20.00				293		yes		Suite 239.			
Seattle CBD	B/C	office	publication (P)	4Q01			\$26.50		5,204		yes		Suites 1610 and 1700.			
Seattle CBD	B/C	office	prop mgr (PM)	4Q01			\$7.50		4,878	proposal			Hoge A-102 proposal			
Seattle CBD	A	office	WA Partners	4Q01			\$38.90		8,309		yes		17th Floor, FSG.			
Seattle CBD	A	office	Colliers	4Q01			\$39.00		12,000		yes		Floor 32.			
Seattle CBD	A	office	publication (P)	4Q01			\$34.00		9,000	proposal			WFP Suite 800 proposal; As-is			
Seattle CBD	A	office	publication (P)	4Q01			\$33.00		9,240		yes		Landlord to provide paint and carpet			
Seattle CBD	A	office	prop mgr (PM)	4Q01			\$26.25		2,002		yes		Landlord to provide some TI's. \$11,655 TI allowance. 2 parking spaces at market rate.			
Seattle CBD	A	office	leasing agent	8/02 +/-			\$27.80		16,500		yes	10/10/2002	22nd floor West side, \$8-\$10 in TI's, 5yr deal; tenant was a sub lessor, but this deal was direct			
Seattle CBD		office	property manager	Feb. 2002	\$5.23						yes		ground level; 1 yr lease			
Seattle CBD		office	property manager	Feb. 2002	\$26.00			\$7.36	26,082		yes					
Seattle CBD	B	office	landlord	Feb. 2002			\$20.00	\$7.00			yes					
Seattle CBD	B	office	property manager	Feb. 2002			\$30.00	\$7.61	5th flr		yes		across from US Bank Centre			
Seattle CBD		office	landlord	Feb. 2002		\$29.00	24-33									
Seattle CBD		office	landlord	Feb. 2002		\$16-\$17	\$14-\$17						b-c class; high vacancy in building			
Seattle CBD	B/C	office	listing	Jan. 2002			\$17-\$19		212-1100	yes			Gordon Boone 682-9325			
Seattle CBD	B	office	property manager	Jan. 2002			\$19-\$24				yes		97% occupancy			

Seattle CBD	B	office	property manager	March,2002			\$19.00	\$8.00			yes		office space approx 85% occupied			
Seattle CBD		office	property manager	March,2002			\$30.00		6,425		yes					
Seattle CBD	A	office	property manager	March,2002	22.5-28			\$6.15 last yr, est \$6.79 for 2002	800sq ft-3 floors		yes		\$28 is for very small space included 10K TI's by LL, \$22.50 is ave for 3 floors			
Seattle CBD	B/C	office	property manager	March,2002			mid \$20's	\$7.00	3 floors		yes		Lease Crutcher Lewis is long term tenant;only office tenant			
Seattle CBD		office	listing agent	March,2002				at least \$5.50	10800 availabl	yes						
Seattle CBD	B	office	property manager	March,2002			\$21-\$22	\$8.00			yes					
Seattle CBD		office	tenant			\$17.00		\$2.29	2,100	yes	yes	9/26/2002	sublease from a long term tenant;4 yrs remaining;\$3,000-\$3400/mo (\$17NNN+/- \$2.29 op exp);Avail since 5/02			
Seattle CBD	B	office	web site				\$17-\$25		220-2,740	yes		10/7/2002	various floors 3-10			
Seattle CBD	B	office	web site				\$23-\$28		6,425	yes		10/7/2002	5th floor;available 1122//1/02			
Seattle CBD	A	office	landlord				\$26.38	\$9.45	51,179		yes	3/10/2003	9th-11th flrs,15 yr term, \$64/sq ft TI's (turn key), \$7/sq ft commission			
Seattle CBD	A	office	prop mgr					\$8.44*				4/29/2003	expense figure 2003 projection;does not include replacement reserves or amoritization; \$8.82 with amoritization			
Seattle CBD	A	office	web site				\$32-\$42		16,551	yes		10/7/02	currently vacant;19th floor			
Seattle CBD	A	office	web site		\$26-\$30 N				1,500-2,700			10/7//02	currently vacant;basement			
Seattle CBD	A	office	prop mgr				high \$20's-low \$30's	\$7-\$10	varies		yes		the high \$20's rate is for what would be comparable to low-rise space the low \$30's as the floor number increases (comparable to high-rise space)			
Seattle CBD	A	office	leasing agent/pr operty manager				\$35.00		110,000		yes		58th floor plus 60-62 and 65;took 22 months to do deal;rent steps of \$1/yr;\$35 TI's plus cost to move in-place tenant to another floor to close this deal			
Seattle CBD	A	office	listing				\$28-\$30		25,000-40,494	yes			available since 12/01;direct			
Seattle CBD	B	office	listing				\$26-\$34		527-7,925	yes			direct; floor range 3-22			

Seattle CBD		office/r etail	listing agent				low to mid 20's	632	yes		9/26/2002	sublease available now (has been for about 1 yr) until 2006;property currently subleased under a master lease thru 2006;\$25NNN with \$9NNN expenses			
Seattle CBD	A	pkg	attendan t				\$195/sta ll								
Seattle CBD		pkg	attendan t				\$184.96/ stall								
Seattle CBD		retail	rent roll	May-01	\$32.00			5,789		yes		plus 5%of gross sales after certain level reached;commencement dat 5/01;18 TI allowance, 10 yr term			
Seattle CBD		retail	property manager	Jan-02	\$50-\$75		\$8-\$9	2,160		yes		heart of retail core			
Seattle CBD	A	retail	property manager	Jan-02	\$70.00			4100+/-		yes		heart of retail core			
Seattle CBD	B	retail	landlord	Feb-02	\$19.20			1,500		yes		smokeshop			
Seattle CBD	B	retail	landlord	Feb-02	\$19.20			1,500		yes		mo to mo			
Seattle CBD	B	retail	landlord	Feb-02	\$7.75			6,500		yes		Sam Goody older lease			
Seattle CBD	B	retail	landlord	Feb-02	\$7.75			6,500		yes		mo to mo			
Seattle CBD	A	retail	asset mgr	Jun-02	\$20.00			600		almost		5yr term;shell finish			
Seattle CBD	A	retail	leasing agent's asst.	Jul-02	\$20.00		\$10.20	2,160		yes	8/15/2002	2nd flr,fitness outfit;rent increase to \$22 in year 2 and stabilizes in yr 5 at \$23			
Seattle CBD		retail	tenant	Feb. 2002	\$42.58		\$0.10	3,100		yes		lease expiring;tenant moving next door			
Seattle CBD		retail	property manager	Feb. 2002			\$38.63	\$6.00	9,320		yes	Bananna Republic-men's			
Seattle CBD		retail	landlord	Feb. 2002	17.5-20			\$3-\$4	1900=-/		yes				
Seattle CBD	B	retail	property manager	Feb. 2002	\$57.00			\$3.56	1,392		yes				
Seattle CBD	B	retail	property manager	Feb. 2002	\$60.00			\$3.56	1,914		yes				
Seattle CBD	B	retail	property manager	Feb. 2002	\$33.92			\$3.56	3,394		yes				
Seattle CBD	B	retail	listing agent	Feb. 2002	\$60.00			\$14.00	1553- 1973	yes					
Seattle CBD		retail	property manager	Feb. 2002	\$36.00			\$1.00	48,804		yes	Gap			
Seattle CBD		retail	property manager	Feb. 2002	\$64.00			\$6.00	1,500		yes	jewelry store			
Seattle CBD		retail	property manager	Feb. 2002	\$52.00			\$6.00	1,500		yes	café			

Seattle CBD		retail	property manager	Feb. 2002	\$70.00			\$3-\$5	966	yes			across from US Bank Centre			
Seattle CBD		retail	property manager	Feb. 2002	\$70.00			\$3-\$4	1,266		yes		across from US Bank Centre			
Seattle CBD		retail	property manager	Feb. 2002	\$67.00			\$3-\$4	1,480		yes		across from US Bank Centre			
Seattle CBD		retail	property manager	Feb. 2002	\$59.00			\$3-\$4	1,728		yes		across from US Bank Centre			
Seattle CBD		retail	property manager	Feb. 2002	\$34.88				16,200		yes		Bananna Republic			
Seattle CBD		retail	landlord	Feb. 2002	\$30.00				large		yes		Bartell's			
Seattle CBD		retail	landlord	Feb. 2002	\$40.00				typical		yes					
Seattle CBD		retail	landlord	Feb. 2002	\$27.00				6,000		yes					
Seattle CBD		retail	listing agent	Feb. 2002	mid 20's				4,170	yes			corner retail location/1st flr of a parking garage			
Seattle CBD		retail	property manager	March,2002	\$30.00			\$5-\$6			yes		retail space approx. 95% occupied			
Seattle CBD		retail	property manager	March,2002	\$32.00				4,145		yes					
Seattle CBD		retail	property manager	March,2002	22-28			\$5.75 in 2001, est \$6.34 for 2002	1000 sq ft +		yes		leases signed 4 years ago			
Seattle CBD	B/C	retail	property manager	March,2002	\$18.00			\$5.00			yes					
Seattle CBD	B	retail	property manager	March,2002	high \$30's						yes					
Seattle CBD	A	retail	leasing agent		\$50.00						yes	3/7/03	prime retail space in property	\$260/month	97%	88%
Seattle CBD	A	retail	leasing agent		\$20.00			\$5.25			yes	3/7/03	typical retail rent reported for building	\$260/month	97%	88%
Seattle CBD	A	retail	leasing agent		\$18-\$25						yes	3/7/03	plus % above specified income	\$260/month	97%	88%
Seattle CBD	A	retail	leasing agent		\$20.00			\$10.20	1,636		yes	10/18/002	3rd level			
Seattle CBD	B	retail/grill	listing agent	Oct. 2001	low to mid				3,000	yes			basement location			
Seattle CBD	A	retail/kiosk	listing agent	March,2002	\$90.00				181	yes			1st flr kiosk			
Seattle CBD		storage	property manager	Jan-02	\$10-\$12				800		yes					
Seattle CBD		storage	property manager	Jan-02	\$10.00				5,000		yes					
Seattle CBD		storage	property manager	March,2002			\$10.00				yes		\$10-\$12			
Seattle CBD	B						15-18	\$7.00				3/24/2003			70%	

Seattle CBD Retail Core/Westlake	A	office	assoc dir. Prop taxes	throughout 2001			\$23.50		75,087		yes		renewal; \$28,794 of TI & commissions paid			
Seattle CBD/Regrade	A	office	tenant	Aug-01			\$24.25		49,997		yes		flat rate for 5 yrs	LifeSpan		
Seattle CBD/Regrade	A	office	tenant	Dec-01			\$22.00		9350+/-		yes		\$1/yr increases in rent;10 yr term, negotiated 12/01 , occupancy 8/02; 8th flr & part of 7th			
Seattle CBD/Regrade	A	office		Dec-02			\$23.50	\$9.52	1,008		yes	4/16/2003	op exp figure includes amoritzation of capital improvements;new lease, month to month deal	\$175	95-96%	
Seattle CBD/Regrade	A	office		Apr-03			\$19.00	\$9.52	3,027		yes	4/16/2003	op exp figure includes amoritzation of capital improvements;new lease, 3 year term,rate fluctuates up tp \$21 in yr 3			
Seattle CBD/Regrade	A	office		Jun-03			\$20.00	\$9.52	1,656		yes	4/16/2003	op exp figure includes amoritzation of capital improvements;new lease, 3 year term			
Seattle CBD/Regrade	A	office	web site				\$19-\$26		477- 5,924	yes		10/7/2002	various floors 2-9			
Seattle CBD/Regrade	B	office	web site				\$19-\$26		652- 2,156	yes		10/7/2002	various floors 3-10			
Seattle CBD/Regrade	A	office	web site				\$25-\$50		701- 11,394	yes		10/7/2002	various floors 1--34			
Seattle CBD/Regrade	A	office/r etail space		Apr-03	\$25.40			\$6.50	1,475		yes	4/16/-3	10 yr term, new deal, dental office in retail space, 1st floor			
Seattle CBD/Regrade	B	retail	owner/LL		mid \$20's			\$4.50-\$5		yes		10/14/2002	corner bay at 5th and Virginia			
Seattle CBD/retail core	A	office	Colliers	4Q01			\$32.00		30,000		yes		Floors 21 and 22.			
Seattle CBD/retail core	A	retail	general mgr		\$50.00						yes	8/27/2002	summer renewal;10yr term;tenant renovating space;4th & Pike corner			
Seattle CBD/retail core	A	retail	general mgr		\$39.00						yes	8/27/2002	5yr term;3rd & early Fall 2002 commence			

Seattle CBD/Waterfront	A	office	leasing agent	Jan-03			\$20 (ballpark)	3,854		yes	1/13/2003	negotiated in 11/02,\$5-\$6 in TI's,top floor,water views,flat rate over term of 5 years,some free parking on-site; use of up to 16 stalls on accessory lots in neighborhood.				
Seattle/Belltown	A	office	LL	Mar-02			\$20.55	9,184		yes	4/30/2003	Direct, new deal 5yr term,no concessions, turn key TI's, coomission \$4/sq ft, parking avaialable at market rates;signed 12/01;15th flr				
Seattle/Belltown	A	retail	leasing agent's asst.	Aug-02	\$18.50		est \$4-\$5 NNN expenses	3,681		yes	8/15/2002	deli and restaurant;+ 6% of gross sales;rate flat at \$18.50 the first 6 yrs then increases to \$20.50 in the last 5 yrs. Deal took a long time to do				
Seattle/Belltown		retail	leasing agent's asst.	throughout 2001-2002	\$17.00					yes	8/15/2002					
Seattle/Belltown		retail	leasing agent		\$22.00		\$3.40	1,001		yes	10/18/2002	5th Avenue side tenant expansion, written as amendment to the original lease				
Seattle/Belltown fringe		office	property manager		\$12.00		\$3.00	900	yes		11/5/2002	2nd floor office				
Seattle/Internat ional District	A	office	property manager	Feb-03	\$17.63		\$7.75	4,903		yes	2/5/2003	Law firm sublease through 12/31/07, 3 months free rent, \$32 in TI's, negotiated around Sept. 2002; 2003 est op expenses =\$5.42+RE taxes at \$2.33; no replacement reserves included in figure				
Seattle/Internat ional District	A	office	tenant	Mar-03			\$32.95	\$10.00	30,386		yes	3/3/2003	negotiation began late summer 2002, completed Sept/Oct;9th & 10th floors; 10 yr flat rate deal,\$70/sq ft in TI's,monthly parking available at \$225/stall	\$225		70%
Seattle/Lower Queen Anne	A	office	tenant's agent (GSA)	Jan-00			31.5*	70,307		yes	8/12/2002	DEA;*rent at \$32 now; 10 yr lease one 5 yr option;* rate includes 140 parking stalls valued at +/- \$95/mo (or about \$2.25/sq ft)				
Seattle/Lower Queen Anne	A	office	LL	May-02			\$20.85	24,702		yes	4/30/2003	new direct deal 10 yr term, no concessions, turn key TI's, 4th & 5th flrs, parking available at market rates, lease commission at \$5/sq ft				

Seattle/Lower Queen Anne	A	office	Colliers	4Q01			\$22.00	25,000		pending		1			
Seattle/Regrade		office	lease agent	Jul-02	\$11.40			3,335		yes	August-02	better deal to a long time tenant;2nd story office space; monorail impact			
Seattle/Regrade		office	listing agent		\$10-\$12		\$1.50	4,600	yes		8/27/2002	NW corner of bldg available sublease;5yrs remaining, 2nd floor space;better than bsmt space, high ceilings;total area = 4600 sq ft = ground + mezz. (1650 sq ft on ground);no TI's No free rent			
Seattle/Regrade		office	listing agent		\$10-\$12		\$1.50	4,600		yes	8/27/2002	1650 sq ft of total on ground floor, rest on mezz.,no TI's or free rent,summer 2002 commence,thru 1/07			
Seattle/Regrade	A	office	lease agent				\$8.50				Sep-02				
Seattle/Regrade	A	retail	lease agent		\$25-\$30				yes		Sep-02	anticipate \$20 in TI's			
Seattle/Regrade		retail	lease agent		\$22.00		\$3-\$4	950	yes		Sep-02	no fan/hood in place for cooking establishment			
Seattle/Regrade		retail	lease agent		\$55.00		\$7.5-\$8	1,400	yes		Sep-02	space has been available for 19 months			
Seattle/waterfront	A	office	LL	Jul-02			\$22.00	20,764		yes	4/30/2003	new direct 7 yr term deal no concessions, turn key TI's, 5th flr, \$4 sq ft lease commission			
Seattle-Denny Regrade	A	office	Colliers	4Q01			\$29.25	27,340		yes		Floors 17 and 18.			
Seattle-Denny Regrade	C	office	listing	March,2002			\$13.15	2,445	yes			2nd flr/sublease			
Seattle-Denny Regrade	A	retail	listing	March,2002	\$30.00			2,132	yes			street level retail suite d			
Seattle-Denny Regrade	A	retail	listing	March,2002	\$30.00			2,748	yes			street level retail suite c			
Seattle-Intl. Dist.	A	office	prop mgr	Jun-02	\$27.30		\$8.20	35,448		yes		signed in fall 200110yr sublease; thru 2011. Sublessor gave \$30 TI over ten yr term; rent step to \$29.80 in 2006 and \$28.50 in 2007;original lease at \$24.5 NNN	this may have fallen through before deal signed:CH ECK INTO		

Seattle-Intl. Dist.	A	office/bank	prop mgr	Jul-02	\$25.50				6,280		yes		signed in fall 2001, 10yr sublease; thru 2011. Sublessor gave \$15 TI over ten yr term; rent step to \$28 in 2006			
Seattle-Pike Place Market end of retail core	A	office	prop mgr	Mar-02		\$28.31		\$9.40	47,000		yes		renewal 10 mo prior to end of lease; 46mo term \$2.50 TI's; right to lease 31 pkg stalls			
Seattle-Pike Place Market end of retail core	B	retail	rent roll	May-02	\$32.00				5,789		yes		plus 5% gross sales			
Seattle-Pike Place Mkt	A	office	Colliers	4Q01			\$29.00		6,000		yes		Floor 4.			
Seattle-Pike Place Mkt	B	office	property manager	March, 2002			21 ave	\$6.75			yes		latest deals @ \$18 FS			
Seattle-Pike Place Mkt	B	office	property manager	March, 2002	\$10.00				basement	will be lucky to get when lease expires						
Seattle-Pike Place Mkt		restaurant	property manager	March, 2002	\$20.00			\$4.00			yes		Typhoon Restaurant			
Seattle-Pike Place Mkt	A	retail	property manager	March, 2002	\$28.00			\$7.05	2,240	yes			1200 sq ft may be split out to rent as storage at \$15/FS			
Seattle-Pike Place Mkt		retail	property manager	March, 2002	\$38.00			\$9.74	1,138		pending		great location/frontage			
Seattle-Pike Place Mkt		retail	property manager	March, 2002	19-25						yes		interior back locations at \$19			
Seattle-Pioneer Square	B	office	listing	April, 2002			\$21.00		18,785	yes						
Seattle-Pioneer Square	B/C	office	listing agent	Oct. 2001			21+/-		800-970	yes			3-5 yr terms			
Seattle-Pioneer Square	B/C	office	listing agent	Oct. 2001			\$22.00		2,800	yes						
Seattle-Pioneer Square	B/C	office	listing agent	Oct. 2001	16-18			\$4.00	24,000				seismically upgrading building			

Seattle-Pioneer Square	B	office	listing agent	Oct. 2001			\$22.75	\$5.50-\$6	1,800	yes						
Seattle-Pioneer Square	B	office	listing agent	Oct. 2001			\$21.00	\$5.50-\$6	3,600	yes						
Seattle-Pioneer Square	B	office	listing agent	Oct. 2001			\$22.00	\$5.50-\$6	3,600		pending		renewal			
Seattle-Pioneer Square	B	office	listing	Oct. 2001	\$17.00				4,992	yes			basement location			
Seattle-Pioneer Square	B	office	listing	Oct. 2001	\$25.00				12,874	yes			2nd floor			
Seattle-Pioneer Square	B	office	listing agent	Oct. 2001			\$13.00	\$5.00	3,930	yes			basement and irregularly shaped			
Seattle-Pioneer Square	B/C	office	LL		\$15.00			\$2.5-\$3	1,200	yes		10/18/2002	no elevator, kind of rough space;2 floors available, 1200 sq ft per floor;LL pays taxes and insurance			
Seattle-Pioneer Square		office ?	listing agent	Oct. 2001	18-20				5,000	yes						
Seattle-Pioneer Square		office ?	listing agent	Oct. 2001			\$18.00		1,500				ventilated			
Seattle-Pioneer Square		office ?	listing agent	Oct. 2001	\$25.00			\$2.62	2,000	yes						
Seattle-Pioneer Square	B	office?	listing agent	Oct. 2001	20's			\$5.85	7,000							
Seattle-Pioneer Square		office?	listing agent	Oct. 2001	\$18.00			\$5.85	2,200							
Seattle-Pioneer Square		office?	listing agent	Oct. 2001	\$18.00				1,750				602 James on 2nd Avenue			
Seattle-Pioneer Square		office?	listing agent	Oct. 2001			\$15.00		1,100							
Seattle-Pioneer Square		retail	tenant	Sep-01	\$30.00				600		yes		\$30/sq ft NNN; fairly recent change in rate			
Seattle-Pioneer Square	B/C	retail	LL	2000+/-	\$30.00				1376+b smt storage (2555 sq ft)		yes	10/18/2002	Coffee Shop;reimburses \$120/mo for taxes and insurance;been in there for a couple of years now			

Seattle-Pioneer Square		retail	listing agent	April, 2002	\$20.00			5,400		yes		signed in 11/01;level rent with increases in NNN's			
Seattle-Pioneer Square		retail	listing agent	April, 2002	\$16.75			2,800		yes		\$1/yr increases in rent			
Seattle-Pioneer Square		retail	listing agent	April, 2002	\$22.43		\$500/mo	1,400		yes		now in year 7 of a 10 yr deal			
Seattle-Pioneer Square		retail	listing agent	April, 2002			\$18.00	1,475		yes		5 yr lease with annual escalations based on CPI;one 5yr renewal option			
Seattle-Pioneer Square		retail	listing agent	April, 2002	\$22.00		\$4.11	632		yes		3 yr lease, steps to 23NNN then 24NNN with a 3 yr renewal option			
Seattle-Pioneer Square		retail	listing agent	April, 2002	\$17.00		\$4.11	1,607		yes		5 yr lease, steps to 18,\$22,\$25 NNN with a 5 yr renewal option			
Seattle-Pioneer Square		retail	listing agent	Feb. 2002	\$20.00	\$18 yr 1;\$20 over the term	\$1.35	1,194		yes		\$10 psf TI allowance, 5yr term (\$1 per yr escalation), 5yr renewal included;signed in 2001			
Seattle-Pioneer Square		retail	listing agent	Oct. 2001	\$22.00		\$4.00	1,500		yes					
Seattle-Pioneer Square		retail/of fice?	listing agent	Oct. 2001	\$18.00		\$5.85	1,600	yes			irreg. Shape;entrance on Yesler			
Seattle-Pioneer Square	C	storage	publication (P)	4Q01			\$12.00	166		yes		Storage Lease			
Seattle-Pioneer Square		storage	listing agent	Oct. 2001			\$6-\$8	2,000	yes						
Seattle-retail Core/Belltown side		theatre	tenant	Aug-02	\$3.38			6,400		yes	8/13/2002	space in poor shape,very old and worn,no seating in place;tenants to pay for all improvements; 3yr term			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	Jun-02			\$24.00	35,690		yes		new tenant; \$832,469 of TI & commissions paid			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	Jul-02			\$24.00	35,685		yes	5/15/2003	61 month term, rate increases to \$26 in 6/05			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	Sep-02			\$24.00	2,449		yes	5/15/2003	60 month term,rate increases to\$26 in 9/1/05			

Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	Jan-03			\$22.00		3,537		yes	5/15/2003	63 month term, option for addtl 36 months;rate changes to \$26 in 1/07			77.11%
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	Jan-03			\$23.00		29,491		yes	5/15/2003	60 month term, rate increase \$1/year over life			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	throughout 2001			\$27.00		29,813		yes		renewal; \$87,752 of TI & commissions paid			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	throughout 2001			\$24.50		1,250		yes		renewal; \$140,011 of TI & commissions paid			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes	throughout 2001			\$27.00		16,430		yes		renewal; \$82,150 of TI & commissions paid			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes				\$31.00		5,128		yes	5/15/2003	63 month term, rent increases to \$34 in 10/05			
Seattle-Retail Core/Westlake	A	office	assoc dir. Prop taxes				\$22.00		2,234		yes	5/16/2003	60 month term, \$1/yr rent increase			
Seattle-Retail Core/Westlake		retail	leasing agent			\$24.00			4,170		yes	8/7/2002	10 yr lease, "as-is" NE corner of 2nd & Union			
South Lake Union	A	office	property owner;let ter response				\$30.00				yes	April-02	typical rent reported for building			
	B	retail	property manager	Jan-03		\$30.00			14000*		yes	11/12/2002	Natl. tenant;orig term of 1/2 rent (\$17,500) began 4/02 through 1/03 during TI work.All remodel costs to tenant. 25 year lease, but can opt out after 10 yrs, notice by 8th year. 6,000 sq ft of total 14,000 sq ft is storage in the basement;tenant pays taxes and insurance only			
Seattle CBD				Mar-03			\$24.00		50,000			5/20/2003	existing lease up in 3/04			
Seattle CBD				Sep-03			\$23.00	\$10.15	78,000				negotiated 11/02; +.50/yr			

Seattle CBD	A						\$25.00		28,000			5/20/2003	1 year extension of existing lease; prior lease was at \$14 FS		
Seattle Pioneer Square													Ibiza lease;1st floor		
Seattle Westlake	B										yes	5/27/2003			
Seattle CBD	B	office	prop mgr	Apr-03			\$17.00	\$10.37	5,500		yes	5/27/2003	6th flr, new direct 5 yr deal, annual \$1 bumps,\$20 in TI's,negotiated 1/03, signed 3/03, op exp does NOT include replacement reserves		96%
Seattle/1st Hill	A	med office	propert mgr	Nov-03	\$22.00			\$11.76	5,360		yes	6/5/2003	5 yr direct, 14th flr, 3% annual lease rate increase, \$9/sq ft in TI's, .57 of operating expense is capital improvement reserve		
SeattleCBD	919590	tenant	Jun-05		\$23.21				27,200		yes	6/12/2003	existing lease up in 2004; renewal with 5,000 sq ft expansion;10 yr term, approx \$11/sq ft in TI's (\$300,000);existing lease rate in mid teens thru 2004, in 2005 rate increase to \$20.29 and in 10 yr (2014) rate increase to \$26.75 (increase to rate occur annually)		

According to the CB Richard Ellis Fourth Quarter 2002, Puget Sound Office Market Report as reported in the Central Puget Sound Real Estate Research Report Volume 54, No.1 Spring 2003, vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Canal, Central Business District, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront market areas indicate the following:

Submarket	Vacancy rate: Class A w/sub-lease	Vacancy rate: Class B w/sub-lease	Vacancy rate: Class C w/sub-lease	Overall Vacancy Rate Including sublease	Overall Vacancy Rate w/o sub-lease	Direct Asking Lease Rate (full service)	Direct w/sublease Asking Lease Rate (full service)
Canal	12.17%	12.19%	0%	12.07%	8.38%		
CBD	9.68%	17.56%	40.45%	12.74%	9.38%		
Denny Regrade	11.71%	19.06%	28.22%	14.50%	10.96%		
Lake Union	24.54%	3.79%	13.16%	20.31%	15.08%		
Lower Queen Anne	18.37%	46.82%	0%	24.04%	18.30%		
Pioneer Square	18.46%	18.50%	15.67%	18.11%	9.33%		
Waterfront	16.32%	41.01%	30.22%	22.42%	9.64%		
Downtown (overall)	12.81%	20.10%	30.61%	15.44%	10.64%	\$27.45	\$26.71

	<u>Full Service Lease Rates</u>			<u>Operating Expenses</u>		
Market Area	Class A	Class B	Class C	Class A	Class B	Class C
Canal	\$18-\$28	\$17-\$24	\$12-\$18	\$5.75-\$7.75	\$6-\$7.25	\$4.50-\$6.50
Seattle CBD	\$22-\$38	\$18-\$30	\$15-\$22	\$8.50-\$10	\$7-\$8.50	\$5.50-\$6.50
Denny Regrade	\$18-\$32	\$16-\$23	\$14-\$20	\$7.25-\$9.25	\$6.25-\$8.25	\$5.50-\$6.50
Lake Union	\$18-\$28	\$17-\$23	\$14-\$21	\$7.25-\$9.25	\$6.25-\$8.25	\$5.50-\$6.50
Lower Queen Anne	\$18-\$26	\$17-\$23	\$14-\$20	\$6.75-\$8.50	\$6.00-\$7.25	N/A
Pioneer Square	\$16-\$24	\$14-\$25	\$14-\$20	\$7.25-\$9.25	\$6.25-\$8.25	\$5.50-\$6.50
Waterfront	\$26-\$35	\$17-\$25	\$15-\$20	\$7.75-\$9.25	\$6.25-\$8.25	\$5.50-\$6.50
Seattle Downtown	\$16-\$38	\$14-\$30	\$12-\$22	\$5.75-\$10.00	\$6.00-\$8.50	\$4.50-\$6.50

According to the CB Richard Ellis Fourth Quarter 2002, Puget Sound Office Market Report as reported in the Central Puget Sound Real Estate Research Report Volume 54, No.1 Spring 2003, vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Bellevue CBD, I-405, SR-520, I-90, Bel-Red Corridor, Kirkland, Redmond market areas indicate the following:

Submarket	Vacancy rate: Class A w/sub-lease	Vacancy rate: Class B w/sub-lease	Vacancy rate: Class C w/sub-lease	Overall Vacancy Rate Including sublease	Overall Vacancy Rate w/o sublease	Direct Asking Lease Rate (full service)	Direct w/sublease Asking Lease Rate (full service)
CBD	24.52%	22.15%	.01%	24.29%	17.83%		
I-405	18.72%	12.29%	0.00%	16.93%	9.73%		
SR-520	16.64%	10.72%	7.94%	14.40%	12.33%		
I-90	15.86%	10.26%	--	15.38%	10.56%		
Bel-Red-Road Corridor	22.91%	8.91%	22.31%	11.63%	10.55%		
Kirkland	16.97%	13.99%	2.51%	16.12%	12.96%		
Redmond	10.33%	7.75%	--	10.01%	3.68%		
Eastside (overall)	17.76%	11.63%	8.93%	16.49%	11.27%	\$24.35	\$23.90

	<u>Full Service Lease Rates</u>			<u>Operating Expenses</u>		
Market Area	Class A	Class B	Class C	Class A	Class B	Class C
CBD	\$23.42-\$24.23	\$21.29-\$23	--	\$9-\$10.50	\$7-\$8	\$6-\$7
I-405	\$21-\$21.86	\$20.55-\$21.51	\$16-\$20	\$7-\$9	\$6.25-\$7.25	\$5.75-\$6.75
SR-520	\$23.52-\$23.94	\$19.25-\$20.01	\$19	\$7-\$9	\$6.25-\$7.25	\$5.75-\$6.75
I-90	\$24.57-\$25.16	\$22.53-\$23.04	--	\$6.75-\$9.50	\$6.50-\$7.50	\$6-\$6.50
Bel-Red-Road Corridor	\$22.59-\$23.08	\$23.01-\$23.49	\$20.30-\$20.72	\$6-\$7	\$5.50-\$6.25	\$5-\$5.75
Kirkland	\$26.84-\$29.52	\$22.22-\$22.75	\$20	\$7-\$8.25	\$6-\$7	\$5.50-\$6.50
Redmond	\$21-\$21.86	\$20.55-\$21.51	--	\$6.75-\$7.50	\$5.75-\$6.75	\$5.25-\$6.25
Total Eastside	\$23.49-\$24.29	\$21.17-\$22.19	\$18.82-\$19.93	\$6-\$10.50	\$5.50-\$8	\$5-7

According to the CB Richard Ellis Fourth Quarter 2002, Puget Sound Office Market Report rates for properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Auburn, Kent, Renton, Sea-Tac, South Seattle, Tukwila and Federal Way market areas indicate the following:

Submarket	Vacancy Rate	Direct Asking Lease Rate (full service)	Direct w/sublease Asking Lease Rate (full service)
Auburn	7.58%		
Kent	19.76%		
Renton	30.93%		
Sea-Tac	5.02%		
South Seattle	2.30%		
Tukwila	9.58%		
Southend (overall)	16.89%	\$19.67	\$18.95
Federal Way	18.59%	\$19.53 (includes average of Tacoma, Fife and Puyallup)	\$18.70 (includes average of Tacoma, Fife and Puyallup)

Insignia Kidder Mathews Investment Group in their Year-End 2002 “I On The Market” report suggest a forecast for the Seattle CBD and surrounding market area for lease rates to be in the range of \$24 to \$28 per sq. ft. (full service) for space in Class “A” buildings and the supply of space available to begin to slowly decrease.

This same forecast suggests fully serviced annual rents to remain between \$21 and \$25 per sq. ft. for Class “A” space in the Bellevue CBD, and \$18 to \$24 for suburban areas.

Their South King County office market forecast suggests fully serviced annual lease rates will remain between \$18 and \$22 per sq. ft. for Class “A” space and the supply of space will remain high.

This report also indicates the 2002 year-end vacancy percentages for Seattle, East King County and South King County as 16.6%, 18% and 15.6% respectively.

Grubb & Ellis Research in their 4th Quarter 2002 Trends, Seattle Office Market Report indicate Class A asking rates declined from \$28.06 per square foot in the third quarter to \$27.07 per square foot in the fourth quarter. The report goes on to say Class B asking rates fell from \$20.41 per square foot in the third quarter to \$20.12 per square foot in the fourth quarter.

Corporate Real Estate Service Advisors (CRESA) in their 4th Quarter Tenant's Guide for Seattle and Bellevue indicate the following average rental and direct vacancy rates:

<u>Seattle CBD</u>	<u>Average Rental Rates</u>	<u>Direct Vacancy Rate</u> 7.9%
Class A	\$22-\$38	
Class B	\$18-\$23	
<u>Bellevue CBD</u>	<u>Average Rental Rates</u>	
Class A	\$23	
Class B	\$21	
<u>Suburban</u>		
Class A	\$22	
Class B	\$20	

Colliers International reports in their Seattle Fourth Quarter Statistical Report the following.

AREA	ASKING LEASE RATE: CLASS A	ASKING LEASE RATE: CLASS B	ASKING LEASE RATE: CLASS A SUBLEASE
Seattle CBD	\$30	\$22	\$24.55
Pioneer Square	\$26	\$19	\$26
Waterfront	\$24	\$20	\$18
Pike Place	\$25	\$18	\$20
Denny Regrade	\$24.50	\$20	\$21.38
Queen Anne	\$23	\$20	\$22.50
Westlake Triangle	\$26	\$24.42	\$22
Lake Union	\$25.14	\$19.09	\$23.90

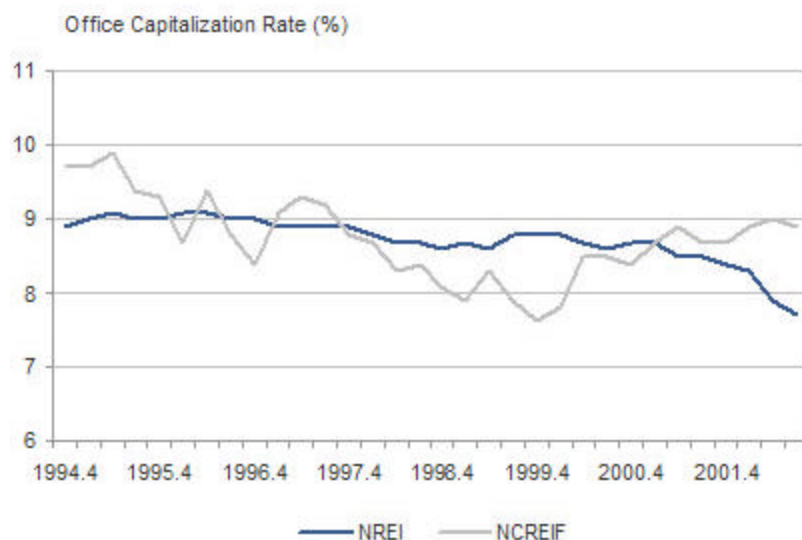
Market Area/Building Class	Direct Vacancy Rate
Seattle CBD	
Class A	6.33%
Class B	12.94%
Pioneer Square	
Class A	7.20%
Class B	14.49%
Waterfront	
Class A	15.71%
Class B	14.22%
Pike Place	
Class A	6.01%
Class B	8.97%
Denny Regrade	
Class A	10.86%
Class B	19.42%
Queen Anne	
Class A	14.78%
Class B	41.76%
Westlake Triangle	
Class A	13.16%
Class B	9.06%
Lake Union	
Class A	16.06%
Class B	8.14%

A closer review of individual building vacancy rates within their respective building class and geographic market segments reveals a somewhat different picture of vacancy rates as compared with the reports noted above. There are instances where the vacancy rates reported above may have been “skewed” by one or a few buildings which are experiencing vacancies significantly different than the “norm” for the class and geographic market segment of which it is a part. Confirmation of this phenomenon through personal verification as well as a review of the raw data used to create the vacancy information reported above suggested a more neighborhood, class specific vacancy analysis should be incorporated into the income analysis done for this year’s revaluation effort. A direct vacancy rate assumption as opposed to an overall vacancy rate (includes sublease space available) assumption is used throughout the following analyses. The specific “norm” vacancy rate(s) will be indicated below in the brief description of the income parameters utilized in each of the six market segments. Properties which varied from the “norm” rate were treated in a few different ways depending upon their unique situation. Higher capitalization rates and/or higher vacancy rates were recognized for some buildings while others whose situation was deemed far inferior from the

“norm” were valued via a discounted cash flow analysis thereby allowing recognition of the “extreme” vacancy situation. These buildings ranged in vacancy from 61% to 100%. The properties valued via the DCF method are noted in the income approach workbooks. In addition, the DCF analysis for each property is saved in its own workbook.

The Korpacz Real Estate Investor Survey for the Fourth Quarter of 2002 indicates an overall Cap Rate range of 8%-11% with an average of 9.25% and an underlying vacancy and credit loss range of 2%-10% for the Pacific Northwest Office Market based on investor survey responses.

Seemingly conflicting trends in real estate capital and space markets have spurred numerous questions within the real estate investment community. Mainly motivated by reports of decreasing cap rate levels in property transactions in light of deteriorating real estate market fundamentals, analysts and real estate investors have questioned whether there is a disconnect between the real estate capital market and space-market fundamentals. Different historical series show somewhat different trends in terms of cap rate levels, but both support the argument that they have been declining, at least in 2002. These historical series, presented, include appraisal-based capitalization rates calculated from data on net operating income and appraised values provided by the National Council of Real Estate Investment Fiduciaries (NCREIF) and transaction-based capitalization rates provided by the National Real Estate Index (NREI). As the following indicates, the NREI data suggest that office cap rate levels have been declining in 2001 and 2002, while the NCREIF data suggest that they have been declining only in the second half of 2002.



No doubt such trends have been taking place in a deteriorating market environment. Particularly in 2001 and 2002, the national office market registered 15-year record-low net absorption, which plunged deeply into negative territory. As a result, the national vacancy rate jumped from 8.6 in 4th quarter 2000 to 16.5 in 4th quarter 2002. During the same period, nominal rents declined by about 16% in response to the rapid increase in vacancies.

Simply juxtaposing the trends in cap rate levels against the trends in market fundamentals gives the impression of some disconnect, but that would be the case *only* if cap rates were driven solely by market fundamentals. As numerous empirical studies have shown, however, cap rates are not only driven by market fundamentals, but also by the *real interest rate* and inflation. So the most likely explanation for today's real estate capital market is *not* that the market fundamentals do not matter, but that the downward pressure imposed on cap rate levels by the 40-year record-low interest rate is greater than the upward pressure exercised by the weak market fundamentals.⁵

Institutional investors continue to seek stable core assets and are placing additional pressure on yields for new acquisitions. When coupled with the widespread erosion in market fundamentals, the question remains one of how far are investors willing to go. Some investors are pulling back, yet demand remains pent-up for product. While creating a downward drag on income returns, the lower yields being accepted by buyers are placing upward pressure on prices.⁶

Unlike the prior recession in the sector, office investors do not appear to be building rent spikes and near-term market cures into their discounted cash flow models. Rather they are seeking secure investments with downside insulation and moderate upside prospects. They appear to be willing to trade stability for performance. In addition, investor' appetites are becoming more finicky, with many eschewing the suburbs for CBD properties that benefit from higher barriers to entry and more secure market fundamentals. Investors are more cognizant of the importance of risk management, seeking to assemble more diverse holdings that can withstand external shocks at the portfolio, rather than property level.⁷

The following is a brief description of the income parameters utilized in each of the six market segments:

North: Full service lease rates ranged from \$21-\$22 per square foot of net rentable area. Vacancy and collection loss figures used in this area were 5%, expenses \$8.00-\$9.00/nra and overall capitalization rates were 9.50%. In general, values on a price per square foot of net rentable area fell in the \$111-\$135 range.

Seattle CBD: Lease rates ranged from \$17-\$30 per square foot of net rentable area. Vacancy and collection loss figures used in this area ranged from 5%-20% with the majority typically being 5%-10%, expenses ranged from \$7.75-\$10/nra and overall rates ranged from 9.0%-10.0% with the majority typically being 9-9.25%.. A few properties included consideration of income from retail rents. This was considered for properties where the retail space represented approximately 5% or more of total NRA. The retail lease rate range utilized was \$11.50-\$40/nra, triple net rent. The vacancy and collection loss figure for retail space ranged from 5%-10% and the triple net expense rate was 5%. Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. The Parking Inventory for Seattle and Bellevue 2002 prepared by the Puget Sound Regional Council was utilized as a basis for establishing parking rates in the various neighborhoods in Downtown Seattle and Downtown Bellevue. This report was supported by verified rates on sold properties when available. No

⁵ Torto Wheaton Research About Volume 4, Number 18 "Cap Rate Spreads and Cap Rate Levels: Two Different Stories"

⁶ The Appraisal Journal, April 2003

⁷ The Appraisal Journal, April 2003

turnaround on the daily spaces was recognized. A parking expense rate of 10% was applied to parking income to arrive at a net parking income contribution figure.

The following is a description of the parking income parameters used in the income approach to valuation for Downtown Seattle properties.

Seattle CBD			
<u>Neighborhood</u>	<u>Daily Rate</u>	<u>Monthly Rate</u>	<u>Occupancy</u>
1	\$8.91	\$136.48	46.6%
2	\$13.13	\$136.44	67.0%
3	\$10.60	\$152.84	79.5%
4	\$17.53	\$223.16	73.2%
5	\$20.75	\$251.57	74.3%
6	\$15.12	\$191.71	73.6%
7	\$18.18	\$221.22	75.9%
8	\$14.79	\$223.51	61.6%
9	\$11.89	\$168.87	63.5%
10	\$10.47	\$145.99	59.0%
11	\$9.57	n/a	76.0%
12	\$12.20	\$204.30	60.9%
13	\$10.30	\$157.69	69.9%

Lower Queen Anne			
<u>Neighborhood</u>	<u>Daily Rate</u>	<u>Monthly Rate</u>	<u>Occupancy</u>
17	\$5.41	n/a	53.7%
18	\$5.74	n/a	36.1%
19	\$8.04	n/a	52.5%
ave=\$106.03			

In general, values on a price per square foot of net rentable area fell in the \$81-\$243 range.

Bellevue CBD: Lease rates ranged from \$20-\$27 per square foot of net rentable area, with the majority of rents falling in the \$27 per square foot range. Two properties included consideration of income from retail rents. The retail lease rate utilized was \$25 and \$30/nra, triple net rent with a 5% vacancy and collection loss assumption and operating expenses of 5%. It is unusual for office buildings in this segment to have significant retail space included. Vacancy and collection loss figures used in this area were 5%-20%, expenses ranged from \$8.50 to \$9.50/nra and overall rates ranged from 9%-9.25% with the majority of properties capped at 9%.

Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. The Parking Inventory for Seattle and Bellevue 2002 prepared by the Puget Sound Regional Council was utilized as a basis for establishing parking rates in the various neighborhoods in Downtown Seattle and Downtown Bellevue. This report was supported by verified rates on sold properties when available. No turnaround on the daily spaces was recognized. A parking expense rate of 10% was applied to parking income to arrive at a net parking income contribution figure.

Bellevue CBD			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$11.30	\$138.36	48.1%
2	\$11.30	\$138.36	48.2%
3	\$11.30	\$138.36	70.5%
4	\$11.30	\$138.36	49.3%
5	\$11.30	\$138.36	40.4%
6	\$11.30	\$138.36	40.2%
7	\$11.30	\$138.36	62.9%

In general, values on a price per square foot of net rentable area fell in the \$87-\$252 range.

Suburban Eastside: Lease rates ranged from \$21-\$28 per square foot of net rentable area, with the majority of rents falling in the \$22-\$24 per square foot range. Vacancy and collection loss figures used in this area were 5-20%, expenses \$7.75-\$9/nra with the majority falling in the \$7.75 range. Overall rates were 9.25%-9.75%. Most properties were capitalized at 9.25%. Parking was not analyzed as an additional income contributor as parking is generally included at no charge. In general, values on a price per square foot of net rentable area fell in the \$104-\$190 range.

Southend: Renton, Tukwila, Southcenter, Kent, SeaTac and Federal Way - Lease rates ranged from \$12.5-\$23 per square foot of net rentable area with the majority of rents falling in the \$18-\$20 per square foot range. Vacancy and collection loss figures used in this area were 7% for the Tukwila properties, 10% for Renton, 15% for Kent, expenses were \$7.00/nra in Tukwila and Renton and \$6.50-\$7.25 in Kent. Overall rates were 9.25% in Tukwila and Renton and ranged from 9.25% to 10.25% in Kent. The differences in Kent are primarily reflective of the Center Pointe Technology Center which is atypical in the area as well as this specialty (it will be removed for the next revalue). SeaTac - the only property in this neighborhood is the Kilroy SeaTac Airport Office Towers. An \$18 lease rate, 5% vacancy and collection loss rate, expenses \$7.00/nra and a 9.25%-9.50% overall rate was used to value this property. The differences in cap rates used was due to recognition of higher than typical vacancy in one of the three buildings which comprise the project. Federal Way - lease rates ranged from \$21.00-\$23.00 per square foot of net rentable area. Vacancy and collection loss figures used in this area were 5%, expenses \$7-\$7.50/nra and overall rates were 9%-9.25%. In general, values on a price per square foot of net rentable area fell in the \$78-\$165 range.

Medical Office Buildings: Full service lease rates ranged from \$20-\$32 per square foot of net rentable area. Vacancy and collection loss figures in this segment were 5%-10%. Expenses ranged from \$10-\$11.25/nra. Overall rates ranged from 9% -10.00%. Parking income contributions were included depending upon the location of the property. Downtown Seattle, First Hill and the University District locations included recognition of this income. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. The Parking Inventory for Seattle and Bellevue 2002 prepared by the Puget Sound Regional Council was utilized as a basis for establishing parking rates in the various neighborhoods in Downtown Seattle and Downtown Bellevue. This report was supported by verified rates on sold properties when available. No turnaround on the daily spaces was recognized. A parking expense rate of 10% was applied to parking income to arrive at a net parking income contribution figure.

First Hill			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
14	\$13.18	\$110.20	73.5%
15	\$11.19	n/a	82.1%
16	\$12.52	n/a	74.0%
		ave=\$91.71	

University District			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$7.15	\$74.37	60.1%
2	\$7.15	\$74.37	63.4%
3	\$7.15	\$74.37	65.6%
4	\$7.15	\$74.37	77.4%

Values on a price per square foot of net rentable area fell in the \$94-\$240 range.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

Each parcel was individually reviewed by the specialty appraiser for correctness of the model application before the final value was selected. The income approach to valuation is given greatest weight in the final analysis due to the information available.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust of particular characteristics and conditions as they occur in the valuation area.

Application of the total value model described above results in the following standard statistical measures of valuation performance and uniformity: the C.O.D. is 8.05%, the C.O.V. is 11%, and the P.R.D is 1.02. In addition, the resulting assessment level is 83.6%. These measures, with the exception of the assessment level, are all within IAAO guidelines and are presented in the Executive Summary and in the 2003 Ratio Analysis chart included in this report. These results are not considered to be reflective of the 1/1/03 office specialty market environment. Too few (only one) sales eligible for the ratio study occurred in the twelve months prior to the subject valuation date of 1/1/03. Therefore a ratio analysis of sales is not considered to be a reliable gage of assessment performance due to the lack of current market data.

Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in an average total change from the 2002 assessments of 2.67%. This increase is due partly to market changes over time and the previous assessment levels. The total assessed value for the 2002 assessment year was \$7,459,665,600 and the total recommended assessed value for the 2003 assessment year is \$7,659,127,400. **Note:** More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the office.

Improved Sales For Area 280 Used

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code	Remarks
					BELLEVUE CBD SALES							
280	600950	0035	142,716	1738556	\$33,150,000	02/25/00	\$232.28	QUADRANT PLAZA	CBD-MU	1	2	
280	104700	0005	128,832	1765568	\$31,500,000	07/18/00	\$244.50	PACIFIC 1ST PLAZA	CBD-MU	1	2	
080	322505	9220	71,738	1942945	\$11,730,000	03/03/03	\$163.51	400 Building	CBD-01		2	NOT IN SPECIALTY (too small); not in ratio study
					SUBURBAN EASTSIDE SALES							
280	292505	9308	106,351	1810465	\$18,512,219	04/04/01	\$174.07	HIDDEN VALLEY OFFICE PARK	OC	1	2	
					SOUTHEND SALES							
280	723160	0542	131,927	1796894	\$18,060,816	01/17/01	\$136.90	ONE RENTON PLACE	CO	1	2	
280	723160	0595	130,690	1796895	\$14,655,475	01/17/01	\$112.14	TWO RENTON PLACE	CO	2	2	
280	192305	9023	132,094	1796896	\$16,677,150	01/17/01	\$126.25	THREE RENTON PLACE	CO	1	2	
280	334040	4000	171,032	1796897	\$24,405,399	01/17/01	\$142.69	VALLEY OFFICE PARK	CO	1	2	
280	012204	9012	218,586	1861777	\$30,354,820	01/04/02	\$138.87	CENTER POINT CORPORATE PARK	M1	1	2	

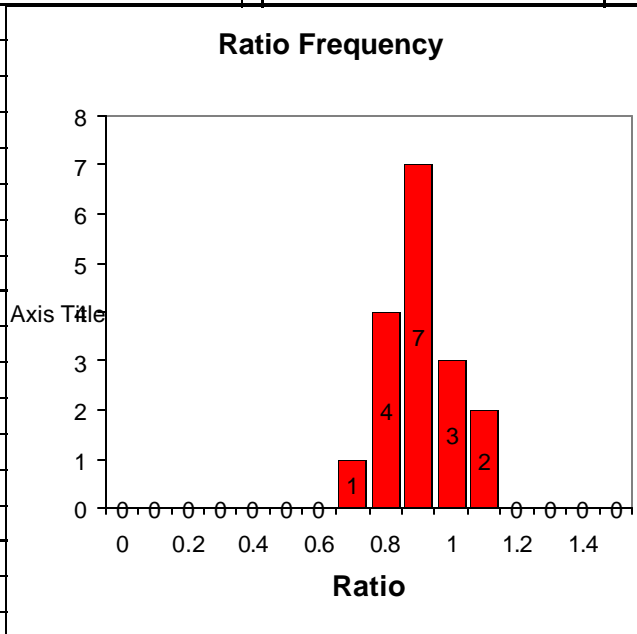
Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code	Remarks
280	012204	9021	67,825	1946963	\$4,350,000	03/25/03	\$64.14	CENTER POINT CORPORATE PARK (Tech Center)	M1	1	2	too far past the lien date to be included in the ratio study
280	192305	9001	130,690	1829455	\$14,655,475	07/13/01	\$112.14	TWO RENTON PLACE	CO	1	2	
280	192305	9023	132,094	1829454	\$16,677,150	07/13/01	\$126.25	THREE RENTON PLACE	CO	1	2	
280	723160	0542	132,319	1829452	\$18,060,816	07/13/01	\$136.49	ONE RENTON PLACE	CO	1	21	
280	334040	4000	171,032	1829453	\$24,405,399	07/13/01	\$142.69	VALLEY OFFICE PARK	CO	1	21	
					SEATTLE CBD SALES							
280	880970	0050	254,316	1822731	\$66,300,000	07/01/01	\$260.70	Opus South @ Union Station			2	
280	065900	0305	286,427	1793300	\$68,775,000	12/21/00	\$240.11	720 OLIVE (MARSH & MCLENNAN BLDG)	DOC2400	1	2	
280	880970	0030	316,806	1773834	\$84,900,000	08/01/00	\$267.99	Opus East & West @ Union Station		2	2	
280	094200	0550	171,258	1763378	\$19,238,000	06/22/00	\$137.41	CENTRAL BUILDING	DOC1	1	2	Earthquake damage since sale;not in ratio study
280	093900	0260	326,849	1756815	\$46,045,972	06/01/00	\$138.00	DEXTER HORTON BUILDING	DOC2/2*	1	2	Earthquake damage since sale;not in ratio study
280	224950	0200	206,142	1746978	\$42,500,000	04/01/00	\$206.17	1000&1100 Dexter Avenue		7	2	

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code	Remarks
280	553050	0010	199,736	1963105	\$64,750,000	06/02/03	\$324.18	Millennium Tower	DOC 2/240	1	2	Too far past the 1/1/03 lien date to be considered in ratio study or value analysis
032	058640	0000	117,746	1906781	\$20,357,185	08/26/02	\$172.89	Bay Vista Office Tower	DMR/C 125/65	12	2	Office condo with 12 units located in Belltown
030	534290	0010	309,400	1966211	\$89,474,954	06/13/03	\$289.19	One Convention Place	DOC 1/450		2	Too far past the 1/1/03 lien date to be considered in ratio study or value analysis
280	198820	1480	110,649	1795012	\$25,000,000	12/22/00	\$225.94	BLUE FLAME BUILDING	C2/65	1	2	seg since sale;not in ratio study
				NORTHEND SALES								
280	243490	0030	119,755	1734676	\$18,409,390	02/01/00	\$153.73	NORTHGATE PLAZA	NC365'	1	2	
				MEDICAL OFFICE BUILDING SALES								

Improved Sales For Area 280 Not Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	000	197520	0015	160,000	1904159	\$25,423,298	08/16/02	\$158.90	U S WEST	DOC1	1	13	foreclosure
280	000	290520	0030	9,987	1732773	\$2,800,000	01/19/00	\$280.36	OFFICE BUILDING	CBD-O-2	2	36	
280	020	065600	0480	195,297	1898007	\$162,000	07/05/02	\$0.83	FOURTH & BATTERY BUILDING	DMRC240	1	18	
280	078	066287	0010	100,700	1904849	\$3,013	07/12/02	\$0.03	BELLEVUE GATEWAY BLDG	OLB/C	1	24	
280		322505	9199	216,177	1930809	\$28,000,000	12/23/02	\$129.52	Q-West Building	CBD-MU		46	

2002 Assessment Year Ratio Study

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:													
Central Crew	1/1/2002	6/25/2003	1/1/00 - 05/31/03													
Area	Appr ID:	Prop Type:	Trend used?: Y / N													
280	LWIL	Improvement	N													
SAMPLE STATISTICS																
Sample size (n)	17	<div>Ratio Frequency</div>  <p>Axis Title</p> <p>Ratio</p> <table border="1"><caption>Ratio Frequency Data</caption><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7</td><td>1</td></tr><tr><td>0.8</td><td>4</td></tr><tr><td>0.9</td><td>7</td></tr><tr><td>1.0</td><td>3</td></tr><tr><td>1.1</td><td>2</td></tr></tbody></table>			Ratio	Frequency	0.7	1	0.8	4	0.9	7	1.0	3	1.1	2
Ratio	Frequency															
0.7	1															
0.8	4															
0.9	7															
1.0	3															
1.1	2															
Mean Assessed Value	26,041,200															
Mean Sales Price	31,882,300															
Standard Deviation AV	16,394,904															
Standard Deviation SP	21,481,709															
ASSESSMENT LEVEL																
Arithmetic mean ratio	0.842	These figures reflect the 1-1-02 assessment as compared with the current market (predominantly 2000-2001 sales). Although it appears as though a significant amount of improvement is needed to bring assessed values up to market level, this analysis may be misleading. Too few sales (only one 2002 sale) are included in this analysis to indicate a "true" reflection of the assessment/market value ratio. Careful consideration should be given to current market data when analyzing the confidence given to the ratio study results presented here and in the final ratio study.														
Median Ratio	0.837															
Weighted Mean Ratio	0.817															
UNIFORMITY																
Lowest ratio	0.6958															
Highest ratio:	1.0184															
Coefficient of Dispersion	8.27%															
Standard Deviation	0.0921															
Coefficient of Variation	10.94%															
Price-related Differential	1.03															
RELIABILITY																
95% Confidence: Median																
Lower limit	0.789															
Upper limit	0.905															
95% Confidence: Mean																
Lower limit	0.798															
Upper limit	0.886															
SAMPLE SIZE EVALUATION																
N (population size)	191															
B (acceptable error - in decimal)	0.05															
S (estimated from this sample)	0.0921															
Recommended minimum:	13															
Actual sample size:	17															
Conclusion:	OK															
NORMALITY																
Binomial Test																
# ratios below mean:	11															
# ratios above mean:	6															
z:	0.9701425															
Conclusion:	Normal*															
*i.e., no evidence of non-normality																

2003 Assessment Year Ratio Study

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:													
Central Crew	1/1/2003	6/25/2003	2/1/00 - 01/04/02													
Area	Appr ID:	Prop Type:	Trend used?: Y / N													
280	LWIL	Improvement	N													
SAMPLE STATISTICS																
Sample size (n)	17	<div>Ratio Frequency</div> <table><caption>Ratio Frequency Data</caption><thead><tr><th>Ratio Bin (approx.)</th><th>Frequency</th></tr></thead><tbody><tr><td>0.65 - 0.75</td><td>1</td></tr><tr><td>0.75 - 0.85</td><td>3</td></tr><tr><td>0.85 - 0.95</td><td>7</td></tr><tr><td>0.95 - 1.05</td><td>4</td></tr><tr><td>1.05 - 1.15</td><td>2</td></tr></tbody></table>			Ratio Bin (approx.)	Frequency	0.65 - 0.75	1	0.75 - 0.85	3	0.85 - 0.95	7	0.95 - 1.05	4	1.05 - 1.15	2
Ratio Bin (approx.)	Frequency															
0.65 - 0.75	1															
0.75 - 0.85	3															
0.85 - 0.95	7															
0.95 - 1.05	4															
1.05 - 1.15	2															
Mean Assessed Value	26,645,800															
Mean Sales Price	31,882,300															
Standard Deviation AV	18,067,497															
Standard Deviation SP	21,481,709															
ASSESSMENT LEVEL																
Arithmetic mean ratio	0.849	<div>These figures reflect the recommended 1-1-03 assessed values as compared with the 2000-2001 market. These results are not considered to be reflective of the 1/1/03 office specialty market environment due to the lack of more current market sales. Too few sales (only one 2002 sale) are included in this analysis to indicate a "true" reflection of the assessment/market value ratio.Careful consideration should be given to current market data when analyzing the confidence given to the ratio study results presented here.</div>														
Median Ratio	0.837															
Weighted Mean Ratio	0.836															
UNIFORMITY																
Lowest ratio	0.6958															
Highest ratio:	1.0184															
Coefficient of Dispersion	8.50%															
Standard Deviation	0.0935															
Coefficient of Variation	11.00%															
Price-related Differential	1.02															
RELIABILITY																
95% Confidence: Median																
Lower limit	0.791															
Upper limit	0.908															
95% Confidence: Mean																
Lower limit	0.805															
Upper limit	0.894															
SAMPLE SIZE EVALUATION																
N (population size)	187															
B (acceptable error - in decimal)	0.05															
S (estimated from this sample)	0.0935															
Recommended minimum:	13															
Actual sample size:	17															
Conclusion:	OK															
NORMALITY																
Binomial Test																
# ratios below mean:	10															
# ratios above mean:	7															
z:	0.48507125															
Conclusion:	Normal*															
*i.e., no evidence of non-normality																